Cameco

CAMECO RESOURCES
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December 17, 2009

Mr. Doug Mandeville
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
#2 White Flint, T7E18
Rockville MD 20852-2738

RE: Source Material License SUA-1548, Docket No. 40-8964, Surety Addendum Revision for Deep Disposal Well

Dear Mr. Mandeville:

Power Resources, Inc. d/b/a Cameco Resources (CR) submitted a stand-alone surety estimate for deep disposal well SRHUP #10 at the Smith Ranch Project to the U.S. Nuclear Regulatory Commission (NRC) on December 4, 2009. CR noted in this transmittal that a full surety estimate for the Smith Ranch Project had been previously submitted to the NRC on July 31, 2009 and CR is awaiting NRC responses to the July submittal.

Since providing the stand alone surety estimate addendum to the NRC, CR has received comments from the Wyoming Department of Environmental Quality requesting that additional items be added to the surety estimate. CR has updated the surety estimate which now includes costs for removal and disposal of pumphouse equipment, removal and disposal of buildings, removal and disposal of trunk lines and access road reclamation.

Please replace the December 4, 2009 surety estimate with the attached revision. Your expedited review will help CR to meet License Condition 9.5 which requires "At least 90 days prior to beginning construction associated with any planned expansion or operational change which was not included in the annual surety update, the licensee shall provide, for NRC approval, an updated surety to cover the expansion or change."

If you have questions, please contact Mr. Angelo Kallas at (307) 358-6541 x474.

Sincerely,

Thomas P. Young
Vice President, Operations

Attachment: Surety Estimate Addendum Revision for Deep Disposal Well SRHUP#10

cc: T. Cannon J. McCarthy D. Kolkman S. Bakken
M. Whatley A. Kallas File SR 4.3.3.

Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

Smith Ranch Project Reclamation Cost Estimate DDW Abandonment (Dec. 16, 09)

I.	Well Abandonment (WA Sheet)			$120,312.07
II.	Equipment (EQUIP Sheet)			$4,374.00
III.	Buildings (BLDGS Sheet)			$7,990.00
IV.	Miscellaneous (MISC REC Sheet)			$5,408.00
	Subtotal Reclamation Cost			$138,084.07
		Contingency	25%	$34,521.02
			TOTAL	$172,605.09

TOTALS

Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

Well Abandonment		
	SRHUP#10	
Well Sealing		
Sealing cost per foot (in Reynolds UIC permit)	$11.91	
Subtotal Plugging Costs per Well	$113,264	
Pump Dismantling and Decontamination		
Number of Persons	2	
Number of Pumps	2	
Pumps/Day	0.5	
Number of Days	4	
$/Day/Person	$210	
Subtotal Dismantling and Decon Costs per Well	$1,684	
Tubing String Disposal (NRC-Licensed Facility)		
Length of Tubing String (ft)	9,510	
Diameter of Tubing String (inches)	2.875	
Volume of Tubing String (ft^3)	429	
Transportation and Disposal Unit Cost ($/$ft^3$)	$12.52	
Subtotal Tubing String Disposal Costs per Well	$5,364	
	$120,312.07	
Total Waste Disposal Well Abandonment Costs		

Equipment Removal and Loading	SRHUP#10 Pumphouse Equip
I. Removal and Loading Costs	
A. Tankage	
Number of Tanks	1
Volume of Tank Construction Material (ft^3)	2673
1. Labor	
Number of Persons	1
Ft^3/Day	5346
Number of Days	1
$/Day/Person	$136
Subtotal Labor Costs	$68
2. Equipment	
Number of Days	1
$/Day	$960
Subtotal Equipment Costs	$480
Subtotal Tankage Removal and Loading Costs	$548
B. Steel Pipe	
PVC Pipe Footage	0
Average PVC Pipe Diameter (inches)	3
Shredded PVC Pipe Volume Reduction (ft^3/ft)	0.016
Volume of Shredded PVC Pipe (ft^3)	0
Steel Pipe Footage	200
Average Steel Pipe Diameter (inches)	3
Volume (ft^3)	9.8125
Labor	
Number of Persons	1
Ft/Day	200
Number of Days	1
$/Day/Person	$136
Subtotal PVC/Steel Pipe Labor Costs	$136
Subtotal PVC/Steel Pipe Removal and Loading Costs	$136
C. Pumps	
Number of Pumps	1
Average Volume (ft^3/pump)	10
Volume of Pumps (ft^3)	10
1. Labor	
Number of Persons	1
Pumps/Day	2
Number of Days	0.5
$/Day/Person	$136
Subtotal Labor Costs	$68
Subtotal Pump Removal and Loading Costs	$68
Total Equipment Removal and Loading Costs	$752
II. Transportation and Disposal Costs (NRC-Licensed Facility)	
A. Tankage	
Volume of Tank Construction Material (ft^3)	2673
Volume for Disposal Assuming Crushed (ft^3)	267.3
Transportation and Disposal Unit Cost ($/$ft^3$)	$12.52
Subtotal Tankage Transportation and Disposal Costs	$3,346
B. PVC / Steel Pipe	
Volume of Shredded PVC Pipe (ft^3)	0
Volume for Disposal Assuming 10% Void Space (ft^3)	0
Volume of Steel Pipe (ft^3)	9.8125
Volume for Disposal Assuming 10% Void Space (ft^3)	11
Transportation and Disposal Unit Cost ($/$ft^3$)	$12.52
Subtotal PVC Pipe Transportation and Disposal Costs	$138
C. Pumps	
Volume of Pumps (ft^3)	10
Volume for Disposal Assuming 10% Void Space (ft^3)	11
Transportation and Disposal Unit Cost ($/$ft^3$)	$12.52
Subtotal Pump Transportation and Disposal Costs	$138
Subtotal Equipment Transportation and Disposal Costs per Facility	$3,622
Total Equipment Transportation and Disposal Costs	$3,622
TOTAL EQUIPMENT REMOVAL AND DISPOSAL COSTS	$4,374

Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

Building Demolition and Disposal	DDW Buildings
I. Demolition Costs	
A. Building	
Volume of Building (ft^3)	5760
Demolition Unit Cost per WDEQ Guideline No.12,App.K ($/ft^3$)	$0.26
Subtotal Building Demolition Costs	$1,485
B. Concrete Floor	
Area of Concrete Floor (ft^2)	576
Demolition Unit Cost per WDEQ Guideline No.12,App.K ($/ft^3$)	$5.08
Subtotal Concrete Floor Demolition Costs	$2,926
C. Concrete Footing	
Length of Concrete Footing (ft)	96
Demolition Unit Cost per WDEQ Guideline No.12,App.K ($/ft)	$18.10
Subtotal Concrete Footing Demolition Costs	$1,737
Subtotal Demolition Costs	$6,148
II. Disposal Costs	
A. Building	
Volume of Building (cy)	213
On-Site	
Percentage (%)	100
Volume for Disposal (cubic yards)	213
Disposal Unit Cost ($/cy)	$7.56
Subtotal On-Site Disposal Costs	$1,613
B. Concrete Floor	
Area of Concrete Floor (ft^2)	576
Average Thickness of Concrete Floor (ft)	0.75
Volume of Concrete Floor (ft^3)	432
Volume of Concrete Floor (cy)	16
1. On-Site	
Percentage (%)	100
Volume for Disposal (cy)	16
Disposal Unit Cost per WDEQ Guideline No.12,App.K ($/cy)	$7.56
Subtotal On-Site Disposal Costs	$121
2. NRC-Licensed Facility	
Percentage (%)	0
Volume for Disposal (ft^2)	0
Transportation and Disposal Unit Cost ($/ft^3$)	$5.22
Subtotal NRC-Licensed Facility Disposal Costs	$0
Subtotal Concrete Floor Disposal Costs	$121
C. Concrete Footing	
Length of Concrete Footing (ft)	96
Average Depth of Concrete Footing (ft)	4
Average Width of Concrete Footing (ft)	1
Volume of Concrete Footing (ft^3)	384
Volume of Concrete Footing (cy)	14
Disposal Unit Cost per WDEQ Guideline No.12,App.K ($/cy)	$7.56
Subtotal Concrete Footing Disposal Costs	$108
Subtotal Disposal Costs	$1,842
Total Demolition and Disposal Costs	**$7,990**

Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

Miscellaneous Reclamation			
	Note: Existing Rancher's Road will be upgraded and width reduced.		
I.	**Access Road Reclamation (includes culverts)**		**SRHUP#10 Access**
	A. Assumptions		
	Surface grade		0%
	Length of Road (ft)		9840
	Width of Road (ft)		14
	Area of road (acres)		3.2
	B. Topsoil Application		
	Average haul distance (ft)		1500
	Topsoil Surface Area (ft^2)		39360
	Depth of Topsoil (ft)		0.5
	Volume of Topsoil (cy)		729
	Movement of Topsoil Unit Cost per WDEQ Guideline No.12, App.C ($/cy)		$1.31
	Subtotal Topsoil Application Costs		$952
	C. Discing/Seeding		
	Surface Area (acres)		0.9
	Discing/Seeding Unit Cost ($/acre)		$685
	Subtotal Discing/Seeding Costs		$619
	Total Access Road Reclamation Costs		**$1,571**
II.	**Trunk Lines**		**Trunk Line to SRHUP #10**
	Length of Trench (ft)		3000
	A. Removal and Loading		
	Main Pipeline Removal Unit Cost ($/ft of trench)		$0.85
	Subtotal Trunkline Removal and Loading Costs		$2,550
	B. Transport and Disposal Costs (NRC-Licensed Facility)		
	1. 4" HDPE Trunkline		
	Piping Length (ft)		3000
	Chipped Volume Reduction (ft^3/ft)		0.022
	Chipped Volume (ft^3)		66
	Total Pipeline Length (ft)		3000
	Volume for Disposal Assuming 10% Void Space (ft^3)		72.6
	Transportation and Disposal Unit Cost (NRC-Licensed Facility) ($/$ft^3$)		$12.52
	Subtotal Transport and Disposal Costs		$909
	C. Discing/Seeding		
	Width of Pipeline Trench (ft)		8
	Area of Pipeline Trench (acres)		0.6
	Discing/Seeding Unit Cost ($/acre)		$685
	Subtotal Discing/Seeding Costs		$378
	Subtotal Reclamation Costs per Pipeline		$3,837
	Total Pipeline Reclamation Costs		**$3,837**
TOTAL MISCELLANEOUS RECLAMATION COSTS			**$5,408**

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December 17, 2009

Mr. George Langstaff
Wyoming Department of Environmental Quality
Water Quality Division
Herschler Building, 3 Fl-West
122 West 25th Street
Cheyenne, WY 82002

RE: Permit to Mine No. 633, Smith Ranch Project, Updated Surety Estimate Addendum for Deep Disposal Well SRHUP#10

Dear Mr. Spackman:

On December 4, 2009, Power Resources, Inc. d/b/a Cameco Resources (CR) submitted a stand-alone surety estimate for deep disposal well SRHUP #10 at the Smith Ranch Project, noting that CR had previously submitted a full surety estimate to the Wyoming Department of Environmental Quality (WDEQ) on July 31, 2009 for Permit 633. The July submittal did not include SRHUP#10.

On December 8, 2009, CR received email comments from Mr. George Langstaff of the WDEQ's Water Quality Division indicating that the stand alone surety estimate might be lacking key items. The email requested costs should be included for "removal of well house, annulus pressure tank, storage tanks, removal or draining and plugging of pipelines, and reclamation of roads." CR has revised our surety estimate to include these costs.

CR appreciates the timely review and comments on the stand alone surety estimate for SRHUP#10 and is pleased to provide an updated revision to this estimate. The stand alone surety estimate addendum totals a cost of $172,605.09 which should be more than adequate to perform all required decommissioning and reclamation associated with SRHUP#10.

CR appreciates WDEQ's prompt action on this surety estimate review in support of facilitating CR restoration schedule.

If you have questions, please contact Mr. Angelo Kallas at (307) 358-6541 x474.

Sincerely,

Thomas P. Young
Vice President, Operations

Attachment: Revised Surety Estimate Addendum for Permit 633; Deep Disposal Well SRHUP#10

cc: T. Cannon, J. McCarthy, D. Kolkman, S. Bakken
M. Whatley, A. Kallas, D. Mandeville, NRC (2 copies)
File SR 4.3.3.1

Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

Smith Ranch Project Reclamation Cost Estimate DDW Abandonment (Dec. 16, 09)

I.	Well Abandonment (WA Sheet)			$120,312.07
II.	Equipment (EQUIP Sheet)			$4,374.00
III.	Buildings (BLDGS Sheet)			$7,990.00
IV.	Miscellaneous (MISC REC Sheet)			$5,408.00
	Subtotal Reclamation Cost			$138,084.07
		Contingency	25%	$34,521.02
			TOTAL	$172,605.09

TOTALS

Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

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	SRHUP#10	
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Total Waste Disposal Well Abandonment Costs		

Equipment Removal and Loading	SRHUP#10 Pumphouse Equip
I. Removal and Loading Costs	
A. Tankage	
Number of Tanks	1
Volume of Tank Construction Material (ft^3)	2673
1. Labor	
Number of Persons	1
Ft^3/Day	5346
Number of Days	1
$/Day/Person	$136
Subtotal Labor Costs	$68
2. Equipment	
Number of Days	1
$/Day	$960
Subtotal Equipment Costs	$480
Subtotal Tankage Removal and Loading Costs	$548
B. Steel Pipe	
PVC Pipe Footage	0
Average PVC Pipe Diameter (inches)	3
Shredded PVC Pipe Volume Reduction (ft^3/ft)	0.016
Volume of Shredded PVC Pipe (ft^3)	0
Steel Pipe Footage	200
Average Steel Pipe Diameter (inches)	3
Volume (ft^3)	9.8125
Labor	
Number of Persons	1
Ft/Day	200
Number of Days	1
$/Day/Person	$136
Subtotal PVC/Steel Pipe Labor Costs	$136
Subtotal PVC/Steel Pipe Removal and Loading Costs	$136
C. Pumps	
Number of Pumps	1
Average Volume (ft^3/pump)	10
Volume of Pumps (ft^3)	10
1. Labor	
Number of Persons	1
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II. Transportation and Disposal Costs (NRC-Licensed Facility)	
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Volume of Tank Construction Material (ft^3)	2673
Volume for Disposal Assuming Crushed (ft^3)	267.3
Transportation and Disposal Unit Cost ($/$ft^3$)	$12.52
Subtotal Tankage Transportation and Disposal Costs	$3,346
B. PVC / Steel Pipe	
Volume of Shredded PVC Pipe (ft^3)	0
Volume for Disposal Assuming 10% Void Space (ft^3)	0
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Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

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Subtotal Concrete Floor Demolition Costs	$2,926
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Subtotal Demolition Costs	$6,148
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Volume of Building (cy)	213
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Percentage (%)	100
Volume for Disposal (cubic yards)	213
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B. Concrete Floor	
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Average Thickness of Concrete Floor (ft)	0.75
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Volume of Concrete Floor (cy)	16
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Percentage (%)	100
Volume for Disposal (cy)	16
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Subtotal On-Site Disposal Costs	$121
2. NRC-Licensed Facility	
Percentage (%)	0
Volume for Disposal (ft^3)	0
Transportation and Disposal Unit Cost ($/$ft^3$)	$5.22
Subtotal NRC-Licensed Facility Disposal Costs	$0
Subtotal Concrete Floor Disposal Costs	$121
C. Concrete Footing	
Length of Concrete Footing (ft)	96
Average Depth of Concrete Footing (ft)	4
Average Width of Concrete Footing (ft)	1
Volume of Concrete Footing (ft^3)	384
Volume of Concrete Footing (cy)	14
Disposal Unit Cost per WDEQ Guideline No.12,App.K ($/cy)	$7.56
Subtotal Concrete Footing Disposal Costs	$108
Subtotal Disposal Costs	$1,842
Total Demolition and Disposal Costs	$7,990

Cameco Resources
Smith Ranch - Highland Uranium Project
Surety Estimate

Miscellaneous Reclamation		
	Note: Existing Rancher's Road will be upgraded and width reduced.	
I.	**Access Road Reclamation (includes culverts)**	**SRHUP#10 Access**
	A. Assumptions	
	Surface grade	0%
	Length of Road (ft)	9840
	Width of Road (ft)	14
	Area of road (acres)	3.2
	B. Topsoil Application	
	Average haul distance (ft)	1500
	Topsoil Surface Area (ft^2)	39360
	Depth of Topsoil (ft)	0.5
	Volume of Topsoil (cy)	729
	Movement of Topsoil Unit Cost per WDEQ Guideline No.12, App.C ($/cy)	$1.31
	Subtotal Topsoil Application Costs	$952
	C. Discing/Seeding	
	Surface Area (acres)	0.9
	Discing/Seeding Unit Cost ($/acre)	$685
	Subtotal Discing/Seeding Costs	$619
	Total Access Road Reclamation Costs	**$1,571**
II.	**Trunk Lines**	**Trunk Line to SRHUP #10**
	Length of Trench (ft)	3000
	A. Removal and Loading	
	Main Pipeline Removal Unit Cost ($/ft of trench)	$0.85
	Subtotal Trunkline Removal and Loading Costs	$2,550
	B. Transport and Disposal Costs (NRC-Licensed Facility)	
	1. 4" HDPE Trunkline	
	Piping Length (ft)	3000
	Chipped Volume Reduction (ft^3/ft)	0.022
	Chipped Volume (ft^3)	66
	Total Pipeline Length (ft)	3000
	Volume for Disposal Assuming 10% Void Space (ft^3)	72.6
	Transportation and Disposal Unit Cost (NRC-Licensed Facility) ($/$ft^3$)	$12.52
	Subtotal Transport and Disposal Costs	$909
	C. Discing/Seeding	
	Width of Pipeline Trench (ft)	8
	Area of Pipeline Trench (acres)	0.6
	Discing/Seeding Unit Cost ($/acre)	$685
	Subtotal Discing/Seeding Costs	$378
	Subtotal Reclamation Costs per Pipeline	$3,837
	Total Pipeline Reclamation Costs	**$3,837**
TOTAL MISCELLANEOUS RECLAMATION COSTS		**$5,408**